

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 2, 2009
POSITION: Neutral

BILL NUMBER: SB 691
AUTHOR: L. Yee

BILL SUMMARY: Accountants

This bill would require an applicant for a certified public accountant (CPA) license to acknowledge that certain specified requirements for licensure may not be considered equivalent by other states. This bill would also establish California as substantially equivalent to other states and would exclude specified individuals from being required to establish substantial equivalence in other states. Additionally, the Board of Accountancy (Board) would be required to verify its educational equivalency for licensure with each state.

FISCAL SUMMARY

The Department of Consumer Affairs indicates this bill would result in minor and absorbable costs.

COMMENTS

Existing law provides for licensing and regulation of accountants by the Board. Applicants for CPA licenses obtain a license by meeting one of the following sets of criteria:

- Completion of a baccalaureate or higher degree, including 48 semester units or hours in specified subject matter, passing an exam, and two years of qualifying experience (Pathway 1); or
- Completion of a baccalaureate or higher degree, including 48 semester units or hours in specified subject matter, proof of completion of at least 150 semester units or hours, passing an exam, and one year of qualifying experience (Pathway 2).

This bill would require beginning January 1, 2014, an applicant for a CPA license to acknowledge that licensure through Pathway 1, may not be considered equivalent by other states requiring 150 semester units for licensure in their state. This bill would also establish California as substantially equivalent to states that require 150 semester units for licensure. Additionally, this bill would exclude any individual licensed in California prior to January 1, 2014, and individuals licensed after this date through Pathway 2 from being required to establish substantial equivalence in other states. The Board would be required to verify its educational equivalency for licensure with each state and upon any state finding California's requirements insufficient, the Board will report immediately to the Legislature, identifying the state, the reason that state considers the requirements insufficient, and provide options for California to establish substantial equivalency.

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| Analyst/Principal (0242) K. Shelton | Date | Program Budget Manager Todd Jerue | Date |
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| Department Deputy Director | Date |
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| Governor's Office: | By: | Date: | Position Approved _____ |
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| BILL ANALYSIS | Form DF-43 (Rev 03/95 Buff) |
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BILL NUMBER

SB 691

| | | SO | (Fiscal Impact by Fiscal Year) | | | | | | |
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| Code/Department | LA | (Dollars in Thousands) | | | | | | | |
| Agency or Revenue | CO | PROP | | | | | | | Fund |
| Type | RV | 98 | FC | 2009-2010 | FC | 2010-2011 | FC | 2011-2012 | Code |
| 1110/ConAfr-ReqBd | SO | No | | ----- | No/Minor | Fiscal Impact | ----- | | 0704 |
| <u>Fund Code</u> | <u>Title</u> | | | | | | | | |
| 0704 | Accountancy Fund | | | | | | | | |